## IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

LABORERS' PENSION FUND and	)	
LABORERS' WELFARE FUND OF THE	)	
HEALTH AND WELFARE DEPARTMENT	)	
OF THE CONSTRUCTION AND GENERAL	)	
LABORERS' DISTRICT COUNCIL OF	)	
CHICAGO AND VICINITY, and JAMES S.	)	
JORGENSEN, Administrator of the Funds,	)	
	)	
Plaintiffs,	)	Case No. 14 CV 4094
<b>v.</b>	)	
ACCU FLOW FLOORS, INC. an Illinois	)	
corporation	)	
	)	
Defendant.	)	

### **COMPLAINT**

Plaintiffs, Laborers' Pension Fund and Laborers' Welfare Fund of the Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity (collectively "Funds") and James S. Jorgensen (hereinafter "Jorgensen"), Administrator of the Funds, by their attorneys, Patrick T. Wallace, Jerrod Olszewski, Christina Krivanek, Amy Carollo, John Hamada, and Elizabeth Haley Douglass, for their Complaint against Defendant Accu Flow Floors, Inc., state:

#### **COUNT I**

### (Failure To Timely Pay Employee Benefit Contributions)

1. Jurisdiction is based on Sections 502(e)(1) and (2) and 515 of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, 29 U.S.C. §§1132 (e)(1) and (2) and 1145, Section 301(a) of the Labor Management Relations Act ("LMRA") of 1947 as amended, 29 U.S.C. §185(a), 28 U.S.C. §1331, and federal common law.

- 2. Venue is proper pursuant to Section 502(e)(2) of ERISA, 29 U.S.C. §1132(e)(2), and 28 U.S.C. §1391 (a) and (b).
- 3. The Funds are multiemployer benefit plans within the meanings of Sections 3(3) and 3(37) of ERISA. 29 U.S.C. §1002(3) and 37(A). They are established and maintained pursuant to their respective Agreements and Declarations of Trust in accordance with Section 302(c)(5) of the LMRA. 29 U.S.C. § 186(c)(5). The Funds have offices and conduct business within this District.
- 4. Plaintiff James S. Jorgensen ("Jorgensen") is the Administrator of the Funds, and has been duly authorized by the Funds' Trustees to act on behalf of the Funds in the collection of employer contributions owed to the Funds and to the Construction and General District Council of Chicago and Vicinity Training Fund, and with respect to the collection by the Funds of amounts which have been or are required to be withheld from the wages of employees in payment of Union dues for transmittal to the Construction and General Laborers' District Council of Chicago and Vicinity (the "Union"). With respect to such matters, Jorgensen is a fiduciary of the Funds within the meaning of Section 3(21)(A) of ERISA, 29 U.S.C. §1002(21)(A).
- 5. Defendant Accu Flow Floors, Inc. (hereinafter the "Company"), is an Illinois corporation. The Company does business within this District and was at all times relevant herein an employer within the meaning of Section 3(5) of ERISA, 29 U.S.C. §1002(5), and Section 301(a) of the LMRA, 29 U.S.C. §185(c).
- 6. The Union is a labor organization within the meaning of 29 U.S.C. §185(a). The Union and the Company have been parties to successive collective bargaining agreements, the

most recent of which became effective June 1, 2013 ("Agreement"). (A copy of the Agreement entered into between the Union and the Company which Agreement adopts and incorporates Master Agreements between the Union and various employer associations, and also binds the Company to the Funds' respective Agreements and Declarations of Trust is attached hereto as Exhibit A.)

- 7. The Funds have been duly authorized to serve as collection agents for the Union in that the Funds have been given the authority to collect from employers union dues which should have been or have been deducted from the wages of covered employees. Further, the Funds have been duly authorized by the Construction and General Laborers' District Council of Chicago and Vicinity Training Fund (the "Training Fund"), the Builders' Association of Greater Chicago ("BAC"), the Illinois Road Builders Association ("IRBA"), the Illinois Small Pavers Association ("ISPA"), the Midwest Construction Industry Advancement Fund ("MCIAF"), the Mid America Regional Bargaining Association Industry Advancement Fund ("IAF"), the Chicagoland Construction Safety Council (the "Safety Fund"), the Laborers' Employers' Cooperation and Education Trust ("LECET"), the Concrete Contractors Association ("CCA"), the CDCNI/CAWCC Contractors' Industry Advancement Fund (the "Wall & Ceiling Fund"), the CISCO Uniform Drug/Alcohol Abuse Program ("CISCO"), the Laborers' District Council Labor Management Committee Cooperative ("LDCLMCC"), and the Chicago Area Independent Construction Association ("CAICA") to act as an agent in the collection of contributions due to those funds.
- 8. The Agreement and the Funds' respective Agreements and Declarations of Trust obligate the Company to make contributions on behalf of its employees covered by the

Agreement for pension benefits, health and welfare benefits, for the Training Fund and to submit monthly remittance reports in which the Company, *inter alia*, identifies the employees covered under the Agreement and the amount of contributions to be remitted to the Funds on behalf of each covered employee. Pursuant to the terms of the Agreement and the Funds' respective Agreements and Declarations of Trust, contributions which are not submitted in a timely fashion are assessed 20 percent for liquidated damages plus interest.

- 9. The Agreement and the Funds' respective Agreements and Declarations of Trust require the Company to submit its books and records to the Funds on demand for an audit to determine benefit contribution compliance.
- 10. The Agreement obligates the Company to obtain and maintain a surety bond to insure future wages, pension and welfare contributions.
- 11. Notwithstanding the obligations imposed by the Agreement and the Funds' respective Agreements and Declarations of Trust, the Company has performed covered work for the months of November, 2013 forward but has:
- (a) failed to submit reports and contributions for all hours worked by all employees to Plaintiff Laborers' Pension Fund for the period of November 2013 and March 2014, thereby depriving the Laborers' Pension Fund of contributions, income and information needed to administer the Fund and jeopardizing the pension benefits of the participants and beneficiaries;
- (b) failed to submit reports and contributions for all hours worked by all employees to Plaintiff Laborers' Welfare Fund of the Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity for the period of November 2013 and March 2014, thereby depriving the Welfare Fund of contributions, income and information

needed to administer the Fund and jeopardizing the health and welfare benefits of the participants and beneficiaries;

- (c) failed to submit reports and contributions for all hours worked by all employees to Laborers' Training Fund for the period of November 2013 and March 2014, thereby depriving the Laborers' Training Fund of contributions, income and information needed to administer the Fund and jeopardizing the training fund benefits of the participants and beneficiaries; and
- (d) failed to report and pay all contributions for all hours worked by all employees owed to one or more of the other affiliated funds identified above for the period of November 2013 and March 2014, thereby depriving said fund(s) of contributions, income and information needed to administer said fund(s) and jeopardizing the benefits of the participants and beneficiaries.
- 12. The Company also failed to submit timely benefit reports and contributions for the period of October through December 2012 and May through October and December 2013.

  Accordingly, the Company owes \$4,629.50 in accumulated liquidated damages for late submitted October through December 2012 and May through October and December 2013 reports.
  - 13. The Company also failed to obtain and maintain a surety bond.
- 14. The Company's actions in failing to submit timely reports and contributions violate Section 515 of ERISA, 29 U.S.C. §1145, and Section 301 of the LMRA. 29 U.S.C. §185, and federal common law interpreting ERISA, 29 U.S.C. §1132 (g)(2).
- 15. Pursuant to Section 502(g)(2) of ERISA, 29 U.S.C. §1132 (g)(2), Section 301 of the LMRA, 29 U.S.C. §185, federal common law, and the terms of the Agreement and the Funds' respective Trust Agreements, the Company is liable to the Funds for delinquent

contributions, liquidated damages, interest, reasonable attorneys' fees and costs, and such other legal and equitable relief as the Court deems appropriate.

WHEREFORE, Plaintiffs respectfully request this Court enter a judgment against Defendant Accu Flow Floors, Inc. as follows:

- a. ordering Defendant Company to submit benefits reports and contributions for all employees for all hours worked for the time period of November 2013 and March 2014 forward, and to submit to an audit upon demand;
  - b. ordering the Defendant Company to obtain and maintain a surety bond;
- c. entering judgment in sum certain against Defendant Company on the amounts due and owing pursuant to the amounts pleaded in the Complaint, the November 2013 and March 2014 reports, if any, accumulated liquidated damages and audit if any, including contributions, interest, liquidated damages, audit costs, and attorneys' fees and costs;
- d. awarding Plaintiffs any further legal and equitable relief as the Court deems appropriate.

#### **COUNT II**

## (Failure To Submit Reports and Pay Union Dues)

- 16. Plaintiffs reallege paragraphs 1 through 15 of Count I.
- 17. Dues reports and contributions are due by the 10<sup>th</sup> day following the month in which the work was performed. Dues reports and contributions which are not submitted in a timely fashion are assessed liquidated damages.
- 18. Notwithstanding the obligations imposed by the Agreement, Company performed covered work during the months of June, July, August, October, November, and December 2012,

May through December 2013, and January 2014 forward and failed to withhold and/or report to and forward union dues on all employees for all hours worked that were deducted or should have been deducted from the wages of its employees for the period of June, July, August, October, November, and December 2012, May through December 2013, and January 2014 forward, thereby depriving the Union of income and information.

19. Pursuant to the Agreement, Company is liable to the Funds for the unpaid union dues, as well as liquidated damages, audit costs, reasonable attorneys' fees and costs as the Union's collection agent, and such other legal and equitable relief as the Court deems appropriate.

WHEREFORE, Plaintiffs respectfully request that this Court enter judgment against Defendant Accu Flow Floors, Inc.:

- a. ordering Company to submit its June, July, August, October, November, and December 2012, May through December 2013, and January 2014 forward reports and contributions for all employees for all hours worked and to submit to an audit by Plaintiffs upon demand;
- b. entering judgment in sum certain against Company on the amounts due and owing as pleaded in the Complaint, as revealed by the audit to be conducted, if any, and reports to be submitted, including dues contributions, liquidated damages, audit costs, and attorneys' fees and costs;
- c. awarding Plaintiffs any further legal and equitable relief as the Court deems appropriate.

June 3, 2014

Laborers' Pension Fund, et al.

By: /s/ Amy Carollo

Amy Carollo Office of Fund Counsel Laborers' Pension and Welfare Funds 111 W. Jackson Blvd., Suite 1415 Chicago, IL 60604 (312) 692-1540



# **CONSTRUCTION & GENERAL LABORERS'** DISTRICT COUNCIL OF CHICAGO AND VICINITY

AFFILIATED WITH THE LABORERS' INTERNATIONAL UNION OF NORTH AMERICA 999 McCLINTOCK DRIVE + SUITE 300 + BURR RIDGE, IL 60527 + PHONE: 630/655-8289 + FAX: 630/655-8853

#### INDEPENDENT CONSTRUCTION INDUSTRY COLLECTIVE BARGAINING AGREEMENT

it is hereby stipulated and agreed by and between ACCU FLOUS (Employer') and the Construction and General Laborers' Ostrict Council of Chicago and Visinity, Eboners' International Union of North America ("Union"), representing and encompassing its affiliated Local Unions, including Local Hos. 1, 2, 4, 5, 6, 25, 75, 76, 95, 118, 149, 152, 225, 269, 288, 582, 681, 1001, 1035, 1092, together with any other Local Unions that may come within its furisdiction ("Local Unions"), and encompassing the geographic areas of Cook, Lake, DuPage, Will, Grundy, Kendall, Kane, McHenry and Boons counties, Hinois, that:

1. Recognition. In response to the Union's request for ecognition as the majority or Section 9(3) is presentative of the unit employees, the Employer recognizes the Union as the sole and exclusive collective bargaining representative under Section 9(3) of the NLPA, as amended, for the employees now and hereinative employed under the terms of his Agreement with respect to wages, hours and other terms and conditions of employment. This recognizes its based on the Union's having shown, or having offered to show, exidence of its majority support. The Employer has not assigned its rights for purposas of collective bargaining with the Union to any person, entity or association, and hereby revokes its prior assignment of bargaining rights, if any. The Employer intrinse voluntarity elects not assign such bargaining rights to any person, entity or association during the term of this Agreement or any extension hereof, without written expensed that the Employer shall abide by this Agreement, and all extensions hereof, provided that it employs at least one Laborer at any time during the term of this Agreement or the term of any extension hereof.

empoys at least one Laborer at any time during the term of this Agreement or the term of any extension hereof.

2. Labor Contract. The Employer affirms and adopts the applicable Collective Bangaining Agreement(s), as designated by the Union, between the Union and the Builders Association, the Chicago Area Independent Construction Association, the Chicago Area Rail Contractors Association, the Chicago Area Independent Constructors Association, the Chicago Area Rail Contractors Association, the Chicago Area Rail Contractors Association, the Chicago Area Rail Contractors Association, the Chicago Chicago Area Rail Contractors Association, the Chicago Area Rail Contractors Association, the Chicago Chicago Area Rail Contractors Association, the Chicago Area Rail Contractors Association, the Marco-Contractors Association, the Rail College Contractors Association, the Efficies Small Pavers Association, the Later Country Contractors Association, the Marco-Contractors Association of Greater Chicago, the Underground Contractors Association, and at Other employer association with whom the Union or its afficient Local Union have an appresent of the Papeloade Cofferbre Barguiling Agreement(s) arities of the Area Chicago and Contractors Association, and it wis Agreement, and Influence and Contractors Association and the Area Chicago and Contractors Association and Chicago and

3. Total economic increase. The Employer shall pay its employees a total economic ingress of \$1.75 per hour effective June 1, 2010; \$1.60 per hour effective June 1, 2011; and \$1.85 per hour effective June 1, 2011; and \$1.85 per hour effective June 1, 2010; said amounts to be allocated between wages, fringe benefits and other funds by the Union in its sole discretion. Effective June 1, 2010, the minimum wage rate shall be \$35.20 per hour.

2010, the minimum wape rate studt is \$35.20 per nour.

4. Checkoff Deductions and Remittances. The Employer shall deduct from the wages of employees uniform initiation fees, assessments, membership does, and working does in such amounts as the Union shall from time in time establish, and shall remit monthly to the designated Union office the sums so deducted, logativer with an accurate Bat showing the employees from whom does well deducted, the employees' individual hours, gross wages and deducted does amounts for the monthly period, not later than the tenth (100h) day of the month logoving the month for which said deductions were made. If The Employer (alls to timely remit any amounts to the Union or its affiliated fringe benefit which that are required under this Agreement, it shall be obligated to the Union for all costs to collection, including attorney fees.

The Employer shall further deduct an amount designated by the Union for each hour that an employee receives wages under the terms of this Agreement on the basis of individually signed voluntary authorized deduction forms and shall pay over the amount so deducted to the Laborers' Political League ("LPL") or to a designated appointee, not like than the 10th day of the month text following the month text following the month text following the month in the following the month and following the month of the month text following the month of the month text following the month of the mon

5. Work Julisdiction. This Agreement covers at work within the applicable Cotective Buggining Agreements and all work within the Union's trade and geographic jurisdiction as set forth in the Union's Statement of Jurisdiction, as amended from time to firm, which are incorporated by reference into this Agreement. The Employer shall assign all work described literation to its Union-represented Libberer employees and acknowledges the appropriateness of such assignment. Hether the Employer nor its work assignments as required under this Agreement shall be supulated or otherwise subject to education by any jurisdictional disputes board or mechanism except upon written notice by and disction of the Urson.

6. Subcontracting. The Employer, whether acting as a contractor, general manager or developer, shall not contract or subcontract any covered work to be done at the site of construction, alteration, painting or repair of a building, structure or other work to any person, corporation or entity not signatory to and covered by a collective bangaining agreement with the Union. This obligation applies to all tiers of subcontractors performing work at the site of construction. The Employer shall further assume the obligations of all tiers ol its subcontractors for prompt payment of employees' wages and other banefits required under this Agreement, Including reasonable attorneys' fees incurred in enforcing the provisions hereof

provisions hereo!
7. Fringe Benefits. The Employer agrees to pay the amounts that it is bound to pay under said Cotective Bargaining Agreements to the Heath and Welfare Department of The Construction and General Laborers' District Council of Chicago and Vicinity, the Laborers' Pension Fund (including Laborers' Excess Benefit Funds), the Fox Vatay Benefit Funds, the Construction and General Laborers' District Council of Chicago and Vicinity Apprentice and Training Trust Fund, the Chicago Area Laborers-Employers Cooperation Education Trust, the LOCULHOC, and to all other designated Union-affittated benefit and labor-management funds (the "Funds"), and to become bound by and be considered a parry to the agreements and declarations of furst creating the Funds sail it in had sloped the original copies of the trust instruments and amandments therefore, the Employer to the agreements and collective Bargaining Agreements in effect when the contributions were made, acknowledging the report form to be a sufficient Instrument in writing to that the Employer to the paybicative coosetive bargaining agreements.

8. Contract Enforcement. All oriezances filed by either party arising hereunder shall, at the Union's discretion, be submitted to the Chicago District Council Giterance Committee for final and binding of Sposition in files of an advantation upon final and binding of Sposition in Service of Instrument in writing to that the Employer talk to comply within ten (10) days with any binding geterance award, whether by giterance committee or ackiration, it is shall be liable for at costs and legal fees hecurred by the Union to enforce the award. Notwithstanding anything to the contrary, nothing herein shall first the Union's right to strike or withdraw its members because of non-payment of wages and/or fringe benefit contributions, talves by the Employer to timely remit dues to the Union, or non-compliance with a binding grivance area. The Employer's violation of any provision of this paragraph will give the Union to right t

9. Successors, in the event of any change in the ownership, management or operation of the Employer's business or substantially all of its assets, by sale or otherwise, it is agreed that as a condition of such sale or transfer that the new owner or manager, whether corporate or knowledge, shall be bully bound by the terms and conditions of this Agreement. The Employer shall provide no test than ten (10) days' prior written notice to the Union of the sale or transfer and shall be obligated for all expenses incurred by the Uzion to enforce the terms of this paragraph.

10. Termination. This Agreement shall comain in full force and effect from Juns 1, 2010 (unless dated differently below) through May 31, 2013, and shall continue thereafter unless there has been given written notice, by certified mail by either party haveto, received no less than sixty (60) nor more than indexty (60) days prior to the explaction date, of the desire to modify or amend talk Agreement through negotiabous. In the absence of such Emely and proper notice the Employer and the Union agree to be bound by the new applicable association agreement(s), incorporating them into this Agreement and extending this Agreement for the life of the newly negotiated agreements, and thereafter for the direction of successive agreements, unless and units limitly notice of termination is given not less than staty (60) nor more than ninety (90) days prior to the explaction of each successive agreements, unless and units limitly notice of termination is given not less than staty (60) nor more than ninety (90) days prior to the explaction of each successive agreements.

11. Execution. The signatory below warrants his or her receipt of the applicable Collective Bargaloing Agreement(s) and authorization from the Employer to execute this Agreement, without fruid or duriess, and with but knowledge of the obligations and undertakings contained herein. The parties acknowledge and accept facsimile signatures on this Agreement as if they write the original signatures.

Dated: 57. 2/ 2011.	they to a France
ACCEPTED:	FÉN NO: LEMESOUR
of Delli	By. 11 M. NEWMAN PRESIDENT
CONSTRUCTION AND GENERAL LABORERS' DISTRICT COUNCIL OF CHICAGO AND VICINITY	John helyman
By:  JEDINS P. Cornolly, Business Melager  [W]	28 WOLGE COM MILLIAGE AVE.
Charles Loverde, Secretary-Treasurer	BANNING TUN IL 6000
FOR DIFFICE Use DANY: THE FUND OF THE FUND	(Telephone/Telefax)  • PINX - DISTRICT COUNCIL • GOLD - EMPLOYER

**EXHIBIT**